

Florida's New Medical Debt Collection Law (HB 7089)

Prepared by Advanced Collection Bureau

Introduction

As your trusted debt collection partner, Advanced Collection Bureau, Inc. is committed to keeping you informed about important changes in the industry that may impact your practice. We want to bring your attention to a new Florida law, **HB 7089**, which goes into effect on July 1, 2024, and may have implications for your debt collection process.

Are you aware of these imminent changes? Do these changes apply to your office, practice, or facility? We kindly request that you reply to this email, letting us know if you are aware of the new law and whether it applies to your organization.

Overview of HB 7089

The new law limits when and which Extraordinary Collections Actions (ECAs) hospitals and ambulatory surgical centers (ASCs) can take when collecting medical debts. The state has modeled these requirements after existing IRS regulations for financial assistance policies (FAPs), which many affected clients may already be complying with.

Fun Fact: *The IRS has been requiring tax-exempt hospitals to have FAPs in place since the passage of the Affordable Care Act in 2010. Now, Florida is following suit with similar requirements for medical debt collection practices.*

You can find more information about the IRS requirements here:

[Financial assistance policies \(FAPs\) | Internal Revenue Service \(irs.gov\)](#)

Key Provisions of HB 7089

ECA Restrictions:

- Hospitals and ASCs cannot engage in ECAs (e.g., civil actions, wage garnishments, liens on property) before:
 - Making reasonable efforts to determine financial assistance eligibility
 - Providing an itemized statement or bill
 - Resolving ongoing grievance processes or appeals
 - Billing applicable insurers and allowing adjudication
 - Providing 30 days' written notice of collection action
- ECAs are prohibited while the patient is negotiating the bill in good faith or complying with payment plan terms

Statute of Limitations:

- The statute of limitations for medical debt collection actions is reduced from five years to three years
- The three-year period begins on the date the debt is referred to a third-party collector

Exemptions for Patient Assets:

- Motor vehicle interest exempt from attachment, garnishment, or legal process increased from \$1,000 to \$10,000
- Personal property interest exempt from attachment, garnishment, or legal process increased from \$1,000 to \$10,000 (for patients not claiming homestead exemption)

Price Transparency Requirements:

- Hospitals and ASCs must post standard charges for shoppable services on their websites or provide an online price estimator tool
- Facilities must provide good faith estimates (GFEs) of anticipated charges to patients and insurers
- Insurers must provide advanced explanations of benefits (AEOBs) to patients based on the GFEs

Implementation Timeline

Requirement	Effective Date
Shoppable services (ASCs)	January 1, 2026
GFEs (facilities)	Pending federal rule adoption
AEOBs (insurers)	Pending federal rule adoption

Tip: Stay tuned for updates on the federal rule adoption timeline to ensure your organization is prepared to comply with the new requirements.

How This Affects Your Accounts with Us

To ensure compliance with the new law, we request that you notify us of the date each account was first placed with collections. This information is crucial, as the new three-year statute of limitations begins on that date.

*For most of our clients, this date will be when the account was placed with us. **However, if we are not your first placement agency, please provide us with the date the account was first placed with the previous agency.***

It's important to note that this law is primarily meant to protect consumers from being sued for medical debt after the three-year statute of limitations has expired. At Advanced Collection Bureau, Inc., we do not engage in legal action against debtors.

You can and should continue sending accounts to us for collection, as we are still permitted to contact debtors via phone and mail, and to report these accounts to credit bureaus (subject to your compliance with the law's requirements).

Next Steps

- Please reply to this email, confirming your awareness of HB 7089 and its applicability to your organization.
- Review your current debt collection practices to ensure compliance with the new law and existing IRS regulations.
- Provide us with the date each account was first placed with collections, so we can accurately track the three-year statute of limitations.

We value our partnership and are here to support you through this transition. If you have any questions or concerns, please don't hesitate to reach out to your dedicated account manager or our compliance team.

Disclaimer: This communication is intended for informational purposes only and should not be construed as legal advice. We encourage you to consult with your legal counsel to ensure full compliance with HB 7089 and any other applicable laws and regulations.